

-  Moderate nonattainment areas.
-  Subpart 1 or “Basic” nonattainment areas.

Classification in general

- FINAL: Option 2 for final rule as proposed
 - Option 2 – Separate 8-hour nonattainment areas based on whether their 1-hr design values are less than 0.121 ppm (more flexible option)
 - Areas with 1-hr design values less than 0.121 ppm would be subject to Subpart 1 (attainment deadlines 5 or 10 years after designation)
 - Areas with 1-hr design values equal to or greater than 0.121 ppm would be subject to Subpart 2 (attainment dates 2007 – 2021)
 - Subpart 2 areas – classified using 8-hour design values and classification table thresholds that are the same % above standard as Subpart 2's 1-hour values

How will EPA treat attainment dates?

- FINAL: Same as proposed -- Attainment must be “as expeditious as practicable but no later than . . . “get subpart 2 attainment periods,
 - Subpart 2 areas running from effective date of designation/classification
 - marginal – 3 years
 - moderate – 6 years
 - serious – 9 years
 - severe – 15 or 17 years
 - extreme – 20 years
 - Subpart 1 areas get no later than 5 years after effective date of designation or 10 years after designation if severity and availability and feasibility of pollution control measures indicate more time is needed

Status of 8-hour Ozone Implementation Rule

- Final rule to be issued in 2 phases:
 - Phase 1:
 - Classifications, transition/anti-backsliding, revocation of 1-hour std., attainment dates, attainment date extensions, timing of emission reductions needed for attainment.
 - Signed on April 15, 2004.
 - Phase 2:
 - Remainder of rule elements (e.g., RACT, RFP, attainment demonstrations; 8-hr NSR).
 - Planning for signature mid-summer (August?).

EPA Proposes Emission Reductions from Power Plants through Current CAA Authorities

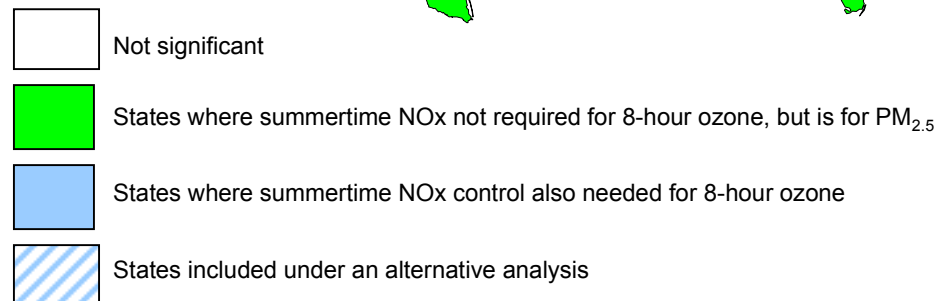
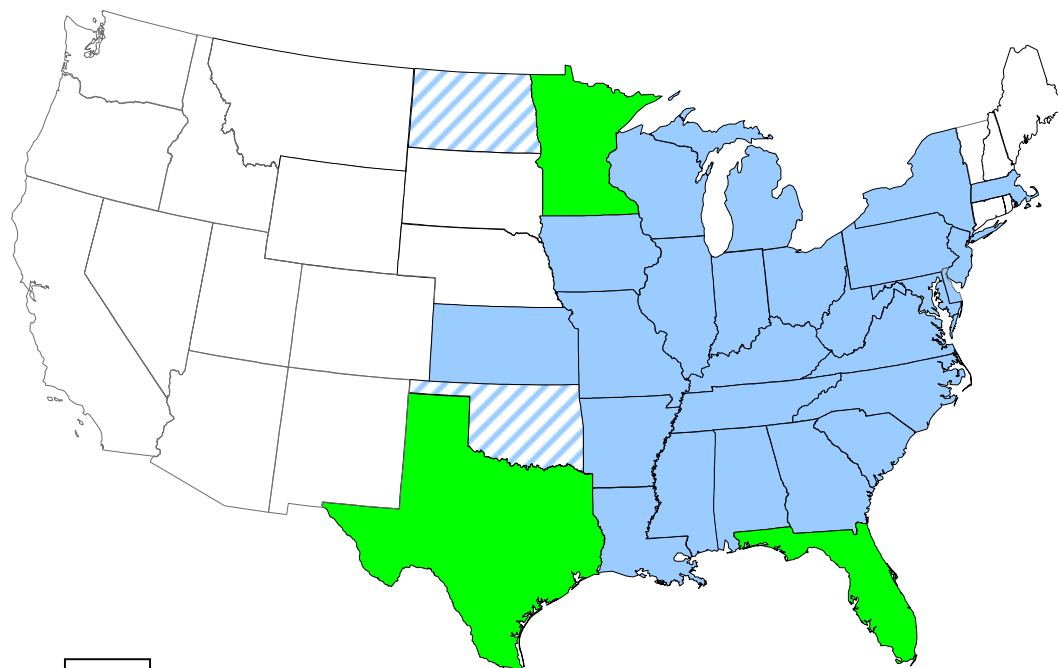
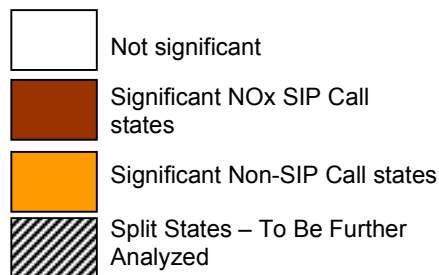
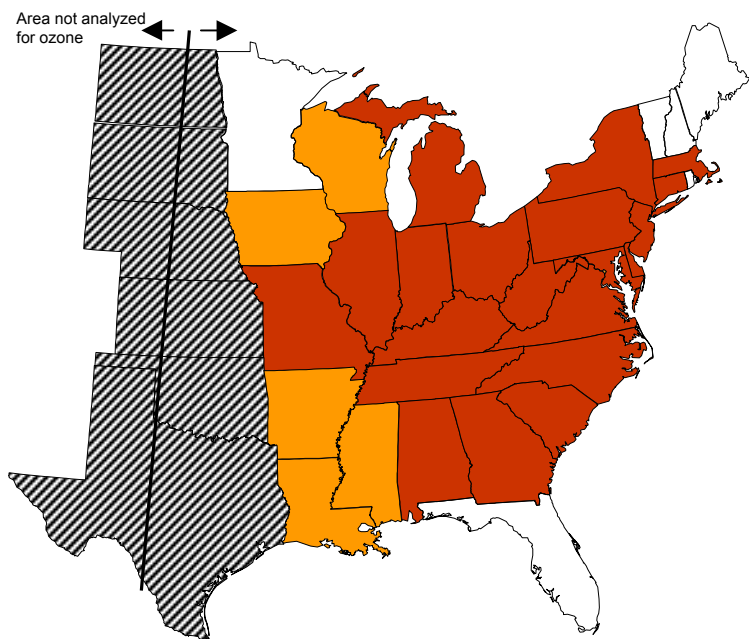
- **Interstate Air Quality Rule or “Clean Air Interstate Rule”** to address the contribution of transported SO₂/NO_x emissions to ozone (smog) and fine particles (PM_{2.5}) nonattainment problems in the Eastern U.S.
- **Utility MACT standards or state-implemented Section 111 standards** to reduce mercury emissions and deposition.

Proposed IAQR: Key Elements

- Sets the **geographic scope of rule based on significant contribution** from individual states for 8-hour ozone and PM_{2.5}
- Sets an **emissions budget for each state** that leads to pollution reductions
 - based on stringent controls on electric generating units (EGUs)
 - forms the basis for a regional cap-and-trade program
- Provides an **(optional) cap and trade program** based on successful Acid Rain trading program
- Allows **states flexibility** to decide which sources to control to meet the budget and whether to join the trading program
- Proposes a **two-phase program** with declining **caps (budgets)**
 - SO₂: 3.9 million tons in 2010 and 2.7 million in 2015
 - NO_x: 1.6 million tons in 2010 and 1.3 million in 2015

8-Hour Ozone: Summertime NOx reduction requirements for 25 states

PM_{2.5}: Annual SO₂ and NO_x reduction requirements for 28 states



Summary

The Interstate Air Quality Rule and Mercury Rules will significantly cut emissions of sulfur dioxide, nitrogen oxides and mercury from coal-burning power plants.

These rules will:

- Provide the largest single investment in any clean air program in history
- Significantly help cities and states in the East meet new, more stringent national ambient air quality standards for ozone and fine particles
- Achieve the largest reduction in air pollution in more than a decade (since the highly successful acid rain program)
- Serve as the single most important step we can take now to improve air quality in the U.S.

Next Steps

- **Hold public hearings** **Early 2004**
- **Comment period closes** **Mar 2004**
- **Supplemental Notice on Interstate Rule** **May 2004**
- **Finalize Mercury Rule** **Dec 2004**
- **Finalize Interstate Rule** **Dec 2004**

PM2.5 Schedule

Date	Action
Feb. 2004*	State designation recommendations due to EPA
Mar. 2004	Implementation rule to OMB
June 2004	EPA proposes implementation rule
July-Aug 2004	EPA letters to States responding to PM2.5 designation recommendations
Dec. 2004*	EPA finalizes designations
Late 2004- Early 2005	EPA finalizes implementation rule

*Dates codified in Consolidated Appropriations Bill of FY2004. SIP due dates for PM2.5 and regional haze are 3 years from effective date of PM2.5 designations.

Attainment Dates

- State attainment demonstrations and SIP revisions are due within 3 years of designations
 - Assuming designations are finalized in Dec. 2004 and are effective 60 days later, attainment demonstrations and SIPs would be due in Feb. 2008.
 - Attainment demonstrations need to provide the supporting analysis for adopting a set of measures that will result in the area attaining the standard “as expeditiously as practicable”
- CAA presumption: attainment date is no later than five years from date of designation (e.g. Feb. 2010)
- Attainment determination would be based on most recent 3 calendar years (e.g. 2007-2009).

PM2.5 Implementation: Overall Approach

- Rule is based on section 172, subpart 1 requirements
- We strongly encourage early local reductions
 - Address premature mortality & serious health effects
 - Reductions after 2002 provide credit toward RFP, attainment plan
- To attain, need to simultaneously reduce emissions under Federal programs (mobile source measures and regional reductions of SO₂ and NO_x) and Federally enforceable State/local measures

Phase II NOx SIP Call Notice

- **Published April 21, 2004**
- **Key Items**
 - **Requires Phase II SIPs by April 1, 2005**
 - **Definition of “EGU” excludes cogen units**
 - **Sets level of control for IC engines at 82% for gas-fired and 90% for diesel and dual-fuel engines**
 - **Excludes coarse grid portions of some States**
 - **Revises State NOx budgets to reflect above items**
 - **Sets compliance date of May 1, 2007 for Phase II requirements**
 - **Excludes Wisconsin on 1-hour basis**

Best Available Retrofit Technology (BART) Proposal

- **Signed April 15, 2004**
- **Key Items**
 - **Used to address visibility impairment due to PM-2.5**
 - **Applies to various sources constructed 1962-1977**
 - **Proposed guidelines will help States evaluate BART**
 - **60 comment period**
 - **Final Rule April 15, 2005**